



BERBERICH TRAHAN & CO., P.A.

*Certified Public Accountants*

SANTA FE TRAIL UNIFIED SCHOOL  
DISTRICT NO. 434  
CARBONDALE, KANSAS

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FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2011

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION

Year Ended June 30, 2011

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SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION

Year Ended June 30, 2011

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BERBERICH TRAHAN & CO., P.A.  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Santa Fe Trail Unified School District No. 434:

We have audited the financial statements of Santa Fe Trail Unified School District No. 434 (the District) as of and for the year ended June 30, 2011, as listed in the accompanying table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the District has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of each fund of the District as of June 30, 2011, or changes in financial position thereof for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of Santa Fe Trail Unified School District No. 434 as of June 30, 2011, and their respective cash receipts and cash disbursements, and budgetary results for the year then ended, on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules listed under supplementary information in the accompanying table of contents, including the Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, are presented for purposes of additional analysis, and are not a required part of the financial statements of Santa Fe Trail Unified School District No. 434. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Berberich Trahan & Co., P.A.*

October 31, 2011

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SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND  
UNENCUMBERED CASH

Year Ended June 30, 2011

	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances
<u>FUNDS</u>		
General fund	\$ (579,354)	\$ -
Supplemental general	(244,552)	-
Special revenue funds:		
Vocational education	51,175	-
Special education	516,995	-
Driver training	10,000	-
Food service	61,610	-
Capital outlay	400,000	-
Extraordinary school program	70,629	-
KPERS special retirement contribution	(214,034)	-
At-risk (K-12)	75,000	-
At-risk (4 year-old)	10,000	-
Federal grant funds	-	-
Gate receipts	11,659	-
District activity funds	44,883	-
Textbook rental	56,222	-
Contingency reserve	120,000	-
Gifts and grants	-	-
Debt service fund:		
Bond and interest	303,973	-
	<u>\$ 694,206</u>	<u>\$ -</u>
Composition of cash:		
Checking accounts		
Agency Funds per Statement 4		

Total Reporting Entity (Excluding Agency Funds)

See accompanying notes to financial statements.

Statement 1

Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
\$ 7,732,616	\$ 7,689,782	\$ (536,520)	\$ 634,242	\$ 97,722
2,842,038	2,607,766	(10,280)	35,317	25,037
292,633	243,808	100,000	-	100,000
1,688,197	1,544,209	660,983	7	660,990
17,337	17,069	10,268	1,726	11,994
624,420	631,287	54,743	7,568	62,311
503,144	282,565	620,579	22,330	642,909
27,560	42,124	56,065	21	56,086
584,604	370,570	-	-	-
693,110	668,110	100,000	-	100,000
55,120	50,120	15,000	-	15,000
291,755	283,682	8,073	307	8,380
57,602	58,343	10,918	-	10,918
314,972	317,877	41,978	-	41,978
41,924	3,108	95,038	-	95,038
20,000	-	140,000	-	140,000
1,100	789	311	610	921
637,540	616,300	325,213	-	325,213
\$ 16,425,672	\$ 15,427,509	\$ 1,692,369	\$ 702,128	\$ 2,394,497
				\$ 2,464,398
				(69,901)
				\$ 2,394,497



SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL

Year Ended June 30, 2011

<u>FUNDS</u>	<u>Certified Budget</u>
General fund	\$ 7,868,334
Supplemental general	2,620,001
Special revenue funds:	
Vocational education	276,858
Special education	1,681,208
Driver training	25,470
Food service	687,030
Capital outlay	675,400
Extraordinary school program	64,050
KPERS special retirement contribution	489,891
At-risk (K-12)	747,700
At-risk (4 year-old)	50,120
Federal grant funds	315,927
Debt service fund:	
Bond and interest	616,300
	<hr/>
Totals	\$ 16,118,289
	<hr/> <hr/>

See accompanying notes to financial statements.

<u>Adjustments to Comply with Legal Max</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
\$ (200,239) (12,235)	\$ 21,687	\$ 7,689,782 2,607,766	\$ 7,689,782 2,607,766	\$ - -
-	-	276,858	243,808	(33,050)
-	-	1,681,208	1,544,209	(136,999)
-	-	25,470	17,069	(8,401)
-	-	687,030	631,287	(55,743)
-	-	675,400	282,565	(392,835)
-	-	64,050	42,124	(21,926)
-	-	489,891	370,570	(119,321)
-	-	747,700	668,110	(79,590)
-	-	50,120	50,120	-
-	-	315,927	283,682	(32,245)
-	-	616,300	616,300	-
<u>\$ (212,474)</u>	<u>\$ 21,687</u>	<u>\$ 15,927,502</u>	<u>\$ 15,047,392</u>	

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL

Year Ended June 30, 2011

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Ad valorem tax in process	\$ 71,010	\$ 70,342	\$ (668)
Ad valorem current tax	674,807	713,440	38,633
Ad valorem delinquent tax	13,750	20,359	6,609
State equalization aid	5,731,833	5,333,811	(398,022)
State special education aid	1,242,075	1,201,980	(40,095)
Federal aid	134,859	370,997	236,138
Miscellaneous reimbursed expenses	-	21,687	21,687
	<u>\$ 7,868,334</u>	<u>7,732,616</u>	<u>\$ (135,718)</u>
Expenditures, encumbrances and transfers:			
Instruction	\$ 3,559,000	3,342,573	\$ (216,427)
Student support services	368,600	387,213	18,613
Instructional support staff	194,550	194,925	375
General administration	178,200	415,457	237,257
School administration	613,750	616,350	2,600
Operations and maintenance	434,500	436,521	2,021
Other supplemental services	238,950	-	(238,950)
Transportation	16,250	31,754	15,504
Transfers to other funds	2,264,534	2,264,989	455
Adjustment to comply with legal max	(200,239)		200,239
Adjustment for qualifying budget credits	21,687		(21,687)
	<u>\$ 7,689,782</u>	<u>7,689,782</u>	<u>\$ -</u>
Cash receipts over expenditures, encumbrances and transfers		42,834	
Unencumbered cash, beginning		<u>(579,354)</u>	
Unencumbered cash, ending		<u>\$ (536,520)</u>	*

\* See Note 9 for statutory basis unencumbered cash balance.

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

SUPPLEMENTAL GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Ad valorem tax in process	\$ 101,068	\$ 97,837	\$ (3,231)
Ad valorem current tax	928,138	1,008,701	80,563
Ad valorem delinquent tax	18,747	26,654	7,907
Motor vehicle tax	151,672	136,583	(15,089)
Recreational vehicle tax	5,289	4,631	(658)
Supplemental state aid	1,384,534	1,567,632	183,098
	<u>\$ 2,589,448</u>	<u>2,842,038</u>	<u>\$ 252,590</u>
Expenditures, encumbrances and transfers:			
Instruction	\$ 446,500	430,120	\$ (16,380)
Student support services	12,200	12,200	-
Instructional support staff	25,000	29,277	4,277
General administration	50,000	38,281	(11,719)
Operations and maintenance	701,000	535,412	(165,588)
Student transportation services	806,500	754,956	(51,544)
Other supplemental services	62,000	51,743	(10,257)
Transfers to other funds	516,801	755,777	238,976
Adjustment to comply with legal max	(12,235)		12,235
	<u>\$ 2,607,766</u>	<u>2,607,766</u>	<u>\$ -</u>
Cash receipts over expenditures, encumbrances and transfers		234,272	
Unencumbered cash, beginning		<u>(244,552)</u>	
Unencumbered cash, ending		<u>\$ (10,280) *</u>	

\* See Note 9 for statutory basis unencumbered cash balance.

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

VOCATIONAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
Miscellaneous revenue	\$ -	\$ 184	\$ 184
Transfer from general fund	258,465	225,587	(32,878)
Transfer from supplemental general fund	-	66,862	66,862
	<u>\$ 258,465</u>	<u>292,633</u>	<u>\$ 34,168</u>
Expenditures:			
Instruction	\$ 258,098	243,731	\$ (14,367)
Student support services	18,760	77	(18,683)
	<u>\$ 276,858</u>	<u>243,808</u>	<u>\$ (33,050)</u>
Cash receipts and transfers over expenditures		48,825	
Unencumbered cash, beginning		<u>51,175</u>	
Unencumbered cash, ending		<u>\$ 100,000</u>	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

SPECIAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
Local revenues	\$ -	\$ 97,372	\$ 97,372
Transfer from general fund	1,242,075	1,201,980	(40,095)
Transfer from supplemental general fund	401,368	388,845	(12,523)
	<u>\$ 1,643,443</u>	<u>1,688,197</u>	<u>\$ 44,754</u>
Expenditures and encumbrances:			
Instruction	\$ 1,528,443	1,394,321	\$ (134,122)
Student support services	10,765	7,499	(3,266)
Student transportation services	142,000	142,389	389
	<u>\$ 1,681,208</u>	<u>1,544,209</u>	<u>\$ (136,999)</u>
Cash receipts and transfers over expenditures and encumbrances		143,988	
Unencumbered cash, beginning		<u>516,995</u>	
Unencumbered cash, ending		<u>\$ 660,983</u>	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

DRIVER TRAINING FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
State aid	\$ 9,625	\$ 3,922	\$ (5,703)
Reimbursements	3,850	12,915	9,065
Transfer from supplemental general fund	10,000	500	(9,500)
Total cash receipts and transfers	<u>\$ 23,475</u>	<u>17,337</u>	<u>\$ (6,138)</u>
Expenditures and encumbrances:			
Instruction	\$ 21,670	13,591	\$ (8,079)
Operations and maintenance	3,800	3,478	(322)
Total expenditures and encumbrances	<u>\$ 25,470</u>	<u>17,069</u>	<u>\$ (8,401)</u>
Cash receipts and transfers over expenditures and encumbrances		268	
Unencumbered cash, beginning		<u>10,000</u>	
Unencumbered cash, ending		<u>\$ 10,268</u>	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

FOOD SERVICE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
State aid	\$ 5,024	\$ 5,854	\$ 830
Federal aid	267,689	266,733	(956)
Local revenues	240,265	248,287	8,022
Transfer from supplemental general fund	75,000	100,000	25,000
Interest on idle funds	50,000	3,546	(46,454)
	<u>\$ 637,978</u>	<u>624,420</u>	<u>\$ (13,558)</u>
Expenditures and encumbrances:			
Food service operation	<u>\$ 687,030</u>	<u>631,287</u>	<u>\$ (55,743)</u>
Cash receipts and transfers under expenditures and encumbrances		(6,867)	
Unencumbered cash, beginning		<u>61,610</u>	
Unencumbered cash, ending		<u>\$ 54,743</u>	

(Continued)



SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

CAPITAL OUTLAY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
(Continued)

Year Ended June 30, 2011

	Amended and Final Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
Ad valorem tax in process	\$ 6,389	\$ 6,185	\$ (204)
Ad valorem current tax	115,820	121,992	6,172
Ad valorem delinquent tax	1,185	2,987	1,802
Motor vehicle tax	10,321	9,258	(1,063)
Recreational vehicle tax	359	315	(44)
Other	51,348	93,645	42,297
Transfer from general fund	52,262	268,762	216,500
	<u>\$ 237,684</u>	<u>503,144</u>	<u>\$ 265,460</u>
Total cash receipts and transfers	<u>\$ 237,684</u>	<u>503,144</u>	<u>\$ 265,460</u>
Expenditures and encumbrances:			
Instruction equipment	\$ 20,000	-	\$ (20,000)
General administrative equipment	175,400	239,896	64,496
School administration equipment	-	3,010	3,010
Operations and maintenance	25,000	22,333	(2,667)
Transportation equipment	-	8,000	8,000
Site and building improvements	455,000	9,326	(445,674)
	<u>\$ 675,400</u>	<u>282,565</u>	<u>\$ (392,835)</u>
Total expenditures and encumbrances	<u>\$ 675,400</u>	<u>282,565</u>	<u>\$ (392,835)</u>
Cash receipts and transfers over expenditures and encumbrances		220,579	
Unencumbered cash, beginning		400,000	
Unencumbered cash, ending		<u>\$ 620,579</u>	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

EXTRAORDINARY SCHOOL PROGRAM FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Fees	\$ 40,000	\$ 27,560	\$ (12,440)
Expenditures and encumbrances:			
Instruction	\$ 64,050	42,124	\$ (21,926)
Cash receipts under expenditures and encumbrances		(14,564)	
Unencumbered cash, beginning		70,629	
Unencumbered cash, ending		\$ 56,065	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
State aid	\$ 489,891	\$ 584,604	\$ 94,713
Expenditures and encumbrances:			
Instruction	\$ 330,156	240,270	\$ (89,886)
Student support services	24,425	22,235	(2,190)
Instructional support staff	13,000	12,026	(974)
General administration	12,000	10,151	(1,849)
School administration	44,135	34,926	(9,209)
Other support services	15,940	12,646	(3,294)
Operations and maintenance	31,280	23,901	(7,379)
Transportation	100	171	71
Food service operations	18,855	14,244	(4,611)
Total expenditures	\$ 489,891	370,570	\$ (119,321)
Cash receipts over expenditures		214,034	
Unencumbered cash, beginning		(214,034)	
Unencumbered cash, ending		\$ -	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

AT-RISK FUND (K-12)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from general fund	\$ 671,612	\$ 493,540	\$ (178,072)
Transfer from supplemental general fund	20,433	199,570	179,137
Total transfers	<u>\$ 692,045</u>	<u>693,110</u>	<u>\$ 1,065</u>
Expenditures:			
Instruction	<u>\$ 747,700</u>	<u>668,110</u>	<u>\$ (79,590)</u>
Transfers over expenditures		25,000	
Unencumbered cash, beginning		<u>75,000</u>	
Unencumbered cash, ending		<u>\$ 100,000</u>	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

AT-RISK FUND (4 YEAR-OLD)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
(Continued)

Year Ended June 30, 2011

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from general fund	\$ 40,120	\$ 55,120	\$ 15,000
Transfer from supplemental general fund	10,000	-	(10,000)
Total transfers	<u>\$ 50,120</u>	<u>55,120</u>	<u>\$ 5,000</u>
Expenditures:			
Instruction	<u>\$ 50,120</u>	<u>50,120</u>	<u>\$ -</u>
Transfers over expenditures		5,000	
Unencumbered cash, beginning		<u>10,000</u>	
Unencumbered cash, ending		<u>\$ 15,000</u>	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

BOND AND INTEREST FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
(Continued)

Year Ended June 30, 2011

	Amended and Final Budget	Actual	Variance - Over (Under)
Cash receipts:			
Ad valorem tax in process	\$ 31,237	\$ 30,239	\$ (998)
Ad valorem current tax	282,654	298,664	16,010
Ad valorem delinquent tax	5,794	10,129	4,335
Motor vehicle tax	55,570	50,266	(5,304)
Recreational vehicle tax	1,938	1,722	(216)
State aid	246,520	246,520	-
	<u>623,713</u>	<u>637,540</u>	<u>13,827</u>
Total cash receipts	<u>\$ 623,713</u>	<u>637,540</u>	<u>\$ 13,827</u>
Expenditures:			
Principal	\$ 570,000	570,000	\$ -
Interest expense	46,300	46,300	-
	<u>616,300</u>	<u>616,300</u>	<u>-</u>
Total expenditures	<u>\$ 616,300</u>	<u>616,300</u>	<u>\$ -</u>
Cash receipts over expenditures		21,240	
Unencumbered cash, beginning		<u>303,973</u>	
Unencumbered cash, ending		<u>\$ 325,213</u>	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

FEDERAL GRANT FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
(Continued)

Year Ended June 30, 2011

	<u>Title I</u>
Cash receipts:	
Federal aid	<u>\$ 204,440</u>
Expenditures and encumbrances:	
Instruction	232,477
Instructional support staff	-
Operations and maintenance	-
General administration	-
Other supplemental services	<u>-</u>
Total expenditures and encumbrances	<u>232,477</u>
Transfers from (to) other federal grant funds	<u>28,833</u>
Cash receipts over expenditures and encumbrances and transfers	796
Unencumbered cash, beginning	<u>-</u>
Unencumbered cash, ending	<u><u>\$ 796</u></u>

(Continued)

<u>Title II A</u>	<u>Title II D</u>	<u>Other Federal Grants</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
<u>\$ 57,667</u>	<u>\$ 3,793</u>	<u>\$ 25,855</u>	<u>\$ 291,755</u>	<u>\$ 315,927</u>	<u>\$ (24,172)</u>
9,614	271	-	242,362	\$ 250,917	\$ (8,555)
19,220	-	-	19,220	25,010	(5,790)
-	-	16,304	16,304	40,000	(23,696)
-	3,340	2,274	5,614	-	5,614
-	182	-	182	-	182
<u>28,834</u>	<u>3,793</u>	<u>18,578</u>	<u>283,682</u>	<u>\$ 315,927</u>	<u>\$ (32,245)</u>
<u>(28,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>		
-	-	7,277	8,073		
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,277</u>	<u>\$ 8,073</u>		



SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

## TEXTBOOK RENTAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES  
(Continued)

Year Ended June 30, 2011

Cash receipts:	
Fees	\$ 41,924
Expenditures:	
Instruction	<u>3,108</u>
Cash receipts over expenditures	38,816
Unencumbered cash, beginning	<u>56,222</u>
Unencumbered cash, ending	<u><u>\$ 95,038</u></u>

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

CONTINGENCY RESERVE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES  
(Continued)

Year Ended June 30, 2011

Transfers:

Transfer from general fund	\$ 20,000
Unencumbered cash, beginning	<u>120,000</u>
Unencumbered cash, ending	<u><u>\$ 140,000</u></u>

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

## GIFTS AND GRANTS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES  
(Continued)

Year Ended June 30, 2011

Cash receipts:	
Contributions	\$ 1,100
Expenditures:	
Instruction	<u>789</u>
Cash receipts over expenditures	311
Unencumbered cash, beginning	<u>-</u>
Unencumbered cash, ending	<u><u>\$ 311</u></u>

See accompanying notes to financial statements.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2011

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Balance, June 30
High School:				
Band boosters	\$ 3,974	\$ 4,827	\$ 3,204	\$ 5,597
FBLA	233	4,432	4,566	99
Vocal music	749	1,125	548	1,326
Kays	913	644	1,073	484
Drama	6,219	4,803	5,797	5,225
Debate/forensics	1,499	954	1,631	822
Drill team	426	6,890	5,116	2,200
Scholar's bowl	395	323	301	417
Art club	159	-	78	81
National honor society	479	1,113	921	671
Thunderstick spirit club	1,901	2,029	2,910	1,020
Cheerleaders	499	8,124	7,224	1,399
SADD	1,757	683	319	2,121
Class of 2010	1,148	(1,148)	-	-
Class of 2011	2,820	195	3,015	-
Class of 2012	1,680	5,850	5,294	2,236
Class of 2013	1,140	1,143	24	2,259
Class of 2014	-	1,121	12	1,109
Sales tax	284	6,716	6,849	151
ACCC non-credit fees	530	880	520	890
Memorial funds	405	169	69	505
Student council	6,665	18,956	17,118	8,503
Scholarships	26	-	-	26
Subtotal High School	33,901	69,829	66,589	37,141
Overbrook Attendance Center:				
Sales tax	2	290	283	9
Book club	1	37	37	1
Student advisory council	431	-	-	431
4th/5th Grades	7	-	-	7
Subtotal Overbrook Attendance Center	\$ 441	\$ 327	\$ 320	\$ 448

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS  
(Continued)

Year Ended June 30, 2011

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Balance, June 30
Carbondale Attendance Center:				
Sales tax	\$ 835	\$ 3,379	\$ 4,213	\$ 1
Scholarships	250	-	-	250
Science/ecology club	761	-	-	761
Principles fund	-	8,426	6,122	2,304
Drill team	20	3,496	3,445	71
Pep club	265	-	-	265
Cheerleaders	910	2,378	1,988	1,300
Student council	10,545	11,671	9,673	12,543
FCA	272	-	-	272
Charger youth football	847	2,869	3,700	16
Theatre	175	-	-	175
Gifted	1,061	25	986	100
6th Grade store	-	1,209	548	661
8th Grade	560	1,382	1,068	874
Just say no club	434	-	-	434
K.C.'s fitness	1,598	1,007	1,000	1,605
7th Grade	372	-	-	372
Subtotal Carbondale Attendance Center	18,905	35,842	32,743	22,004
Scranton Attendance Center:				
Music	136	-	-	136
Pep club	1	-	1	-
Sales tax	602	9	9	602
Stuco	11,322	19,875	21,627	9,570
Subtotal Scranton Attendance Center	12,061	19,884	21,637	10,308
Total all funds	\$ 65,308	\$ 125,882	\$ 121,289	\$ 69,901

See accompanying notes to financial statements.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Year Ended June 30, 2011

Funds	Balance, July 1	Prior Year Cancelled Encumbrances	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Balance, June 30
Gate receipts:							
Scranton Attendance Center	\$ -	\$ -	\$ 50	\$ 50	\$ -	\$ -	\$ -
Carbondale Attendance Center	5,771	-	10,373	9,972	6,172	-	6,172
High School	5,888	-	47,179	48,321	4,746	-	4,746
Total gate receipts	<u>\$ 11,659</u>	<u>\$ -</u>	<u>\$ 57,602</u>	<u>\$ 58,343</u>	<u>\$ 10,918</u>	<u>\$ -</u>	<u>\$ 10,918</u>

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
(Continued)

Year Ended June 30, 2011

Funds	Balance, July 1	Prior Year Cancelled Encumbrances	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Balance, June 30
School projects:							
Scranton Attendance Center:							
General account	\$ -	\$ -	\$ (66)	\$ (66)	\$ -	\$ -	\$ -
Enrollment fees/textbooks	-	-	811	811	-	-	-
Lunch account	-	-	28,216	28,216	-	-	-
Library	277	-	2,321	2,230	368	-	368
Student supplies	177	-	-	-	177	-	177
Subtotal Scranton Attendance Center	454	-	31,282	31,191	545	-	545
Carbondale Attendance Center:							
Student supplies	6,499	-	4,974	8,235	3,238	-	3,238
Enrollment fees/textbooks	-	-	11,467	10,803	664	-	664
Lunch account	315	-	71,318	68,166	3,467	-	3,467
Yearbook	1,272	-	2,958	2,480	1,750	-	1,750
School pictures	6,457	-	114	2,460	4,111	-	4,111
Pencils	1,660	-	143	90	1,713	-	1,713
Fund raisers	4,587	-	-	1,256	3,331	-	3,331
P.E. funds	749	-	21	-	770	-	770
Book fairs	816	-	4,202	4,160	858	-	858
Fire funds	486	-	-	13	473	-	473
Subtotal Carbondale Attendance Center	22,841	-	95,197	97,663	20,375	-	20,375
Overbrook Attendance Center:							
Enrollment fees/textbooks	-	-	12,127	12,127	-	-	-
Lunch account	675	-	39,758	40,433	-	-	-
Book fairs	34	-	4,347	4,376	5	-	5
Overbrook staff	752	-	701	1,125	328	-	328
Principal's booster club	5,381	-	2,395	1,787	5,989	-	5,989
Juice fund	237	-	-	107	130	-	130
Library	366	-	52	63	355	-	355
School planners	873	-	119	989	3	-	3
Miscellaneous	1,135	-	2,876	3,407	604	-	604
School fund	1,478	-	318	218	1,578	-	1,578
Subtotal forward	\$ 10,931	\$ -	\$ 62,693	\$ 64,632	\$ 8,992	\$ -	\$ 8,992

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
(Continued)

Year Ended June 30, 2011

Funds	Balance, July 1	Prior Year Cancelled Encumbrances	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Balance, June 30
Overbrook Attendance Center:							
Balance forward	\$ 10,931	\$ -	\$ 62,693	\$ 64,632	\$ 8,992	\$ -	\$ 8,992
Yearbooks	262	-	1,895	1,876	281	-	281
Building grounds & playgrounds	26	-	-	-	26	-	26
Supplies to buy	505	-	-	440	65	-	65
Subtotal Overbrook Attendance Center	11,724	-	64,588	66,948	9,364	-	9,364
High School:							
Enrollment fees/textbooks	(2)	-	15,155	15,153	-	-	-
Lunch account	(12)	-	83,278	83,266	-	-	-
Tech prep grant	511	-	-	-	511	-	511
Gifted students	110	-	-	-	110	-	110
Odyssey of the Mind	1,441	-	3,255	898	3,798	-	3,798
Special services fund	884	-	78	315	647	-	647
Yearbooks	990	-	11,108	10,945	1,153	-	1,153
Renaissance	1,198	-	7,660	7,383	1,475	-	1,475
Little store	237	-	284	267	254	-	254
Charger shop	2,411	-	603	807	2,207	-	2,207
Student supplies	1,654	-	2,448	3,011	1,091	-	1,091
Library	442	-	36	30	448	-	448
Subtotal High School	9,864	-	123,905	122,075	11,694	-	11,694
Total School Project Funds	\$ 44,883	\$ -	\$ 314,972	\$ 317,877	\$ 41,978	\$ -	\$ 41,978

See accompanying notes to financial statements.



SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1 - Reporting Entity

Santa Fe Trail Unified School District No. 434 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District has no component units.

2 - Summary of Significant Accounting Policies

(a) Fund Descriptions

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2011:

GOVERNMENTAL FUNDS

General Fund and Supplemental General Fund are used to account for the general operations of the District and are used to account for all unrestricted resources except those required to be accounted for in other funds.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by legal or administrative action and to account for expenditures for specified purposes.

Debt Service Fund is used to account for the accumulation of resources for and the payment of interest, principal and related costs on long-term debt.

FIDUCIARY FUNDS

Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure is charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c) waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the District to use the statutory basis of accounting.

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes and compensated absences is not presented in the financial statements.

(c) Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, supplemental general fund, special revenue funds (unless specifically exempted by statute) and the debt service fund. The statutes suggest the following sequence and timetable in the adoption of the legal annual operating budget:

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budget and Tax Cycle (Continued)

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The District had no budget amendments for the fiscal year ended June 30, 2011.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for agency funds and the following special revenue funds:

Textbook Rental, Contingency Reserve, Gifts and Grants and District Activity Funds (Gate Receipts and School Projects).

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budget and Tax Cycle (Continued)

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes or by the use of internal spending limits established by the governing body.

All budgets must be filed with the County Clerk by August 25<sup>th</sup>. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

These taxes become a lien against all property November 1<sup>st</sup>. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20<sup>th</sup> and May 10<sup>th</sup>. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by the County.

Taxes levied to finance the budget are made available to the District after January 1<sup>st</sup> and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

(d) Annual, Personal and Sick Leave Benefits

Under terms of the District's personnel policy, employees are granted vacation and sick leave in varying amounts depending upon employee classification and length of service. All eligible employees accrue sick leave at established rates depending on job classification and number of days worked per year. Vacation is accumulated at the rate of 10 to 25 days per year depending upon employee's length of service and classification. Leaves are prorated for part-time employees.

(e) Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(g) Use of Estimates

The preparation of financial statements in compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statements and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

3 - Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; US government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the District. At June 30, 2011, District's deposits were not exposed to custodial credit risk.

At June 30, 2011, the District had no investments.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

4 - Long-term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2011 were as follows:

Issue	Interest Rate	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
2010 Refunding issue	2.00%	03/01/10	\$ 2,460,000	09/01/14	\$ 2,460,000	\$ -	\$ 570,000		\$ 1,890,000	\$ 46,300
Lease purchase agreements:										
Buses- 16		08/01/08	629,000	07/31/13	375,000	-	125,000		250,000	-
Buses- 5		08/01/09	293,750	07/31/14	235,000	-	58,750		176,250	-
Buses- 2		10/01/09	74,000	07/31/14	55,500	-	55,500		-	-
Buses- 2		08/26/10	128,328	06/30/15	-	128,328	21,388		106,940	-
Buses- 2		03/08/11	112,500	06/30/16	-	112,500	-		112,500	-
Administrative building and equipment	4.50%	08/01/03	1,400,000	08/01/13	562,172	-	151,789		410,383	23,609
Excel Energy	4.70%	04/01/11	199,786	04/01/21	-	199,786	-		199,786	-
Total contractual indebtedness					3,687,672	440,614	982,427		3,145,859	69,909
Compensated absences					177,552			(6,006)	171,546	
Early retirement benefits					270,141			(13,839)	256,302	
Total long-term debt					<u>\$ 4,135,365</u>	<u>\$ 440,614</u>	<u>\$ 982,427</u>	<u>\$ (19,845)</u>	<u>\$ 3,573,707</u>	<u>\$ 69,909</u>

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

4 - Long-term Debt (Continued)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year						
	2012	2013	2014	2015	2016	2017 - 2021	Total
Principal:							
General obligation bond	\$ 590,000	\$ 600,000	\$ 445,000	\$ 255,000	\$ -	\$ -	\$ 1,890,000
Lease purchase agreement - buses	227,638	227,638	102,638	43,888	43,888	-	645,690
Lease purchase agreement - building and equipment	158,696	165,918	85,769	-	-	-	410,383
Lease purchase agreement - Excel Energy	16,066	16,830	17,631	18,469	19,347	111,443	199,786
Total principal	992,400	1,010,386	651,038	317,357	63,235	111,443	3,145,859
Interest:							
General obligation bond	34,800	23,000	11,800	2,550	-	-	72,150
Lease purchase agreement - building and equipment	16,702	9,480	1,930	-	-	-	28,112
Lease purchase agreement - Excel Energy	9,203	8,439	7,639	6,801	5,922	14,905	52,909
Total interest	60,705	40,919	21,369	9,351	5,922	14,905	153,171
Total principal and interest	\$ 1,053,105	\$ 1,051,305	\$ 672,407	\$ 326,708	\$ 69,157	\$ 126,348	\$ 3,299,030

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

4 - Long-term Debt (Continued)

Bond Indebtedness Limitation

The District is subject to K.S.A. 72-6761 which restricts the level of the authorized and outstanding bond indebtedness of the District to not more than 14% of the assessed valuation of tangible taxable property within the District.

At June 30, 2011, based upon the assessed valuation of \$ 44,950,440, the general obligation limit was \$ 6,293,062. The District's bonded indebtedness totaled \$ 1,890,000 less \$ 325,213 available in the bond and interest fund, providing a general obligation debt margin of \$ 4,728,275.

5 - Interfund Transfers

The District made the following interfund transfers during the fiscal year 2011. The transfers were approved by the Board of Education.

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At-risk fund (4 year-old)	K.S.A. 72-6428	\$ 55,120
General	At-risk fund (K-12)	K.S.A. 72-6428	493,540
General	Capital outlay fund	K.S.A. 72-6428	268,762
General	Special education fund	K.S.A. 72-6428	1,201,980
General	Vocational education fund	K.S.A. 72-6428	225,587
General	Contingency fund	K.S.A. 72-6428	20,000
Supplemental general fund	At-risk fund (K-12)	K.S.A. 72-6433	199,570
Supplemental general fund	Driver training fund	K.S.A. 72-6433	500
Supplemental general fund	Food service fund	K.S.A. 72-6433	100,000
Supplemental general fund	Special education fund	K.S.A. 72-6433	388,845
Supplemental general fund	Vocational education fund	K.S.A. 72-6433	66,862



SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

6 - Defined Benefit Pension Plan

*Plan Description.* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions, KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 established the KPERS member-employee contribution rate at 4% of covered salary for all employees hired prior to July 1, 2009. KSA 74-49,210 establishes the KPERS member-employee contribution rate of 6% of covered salary for all employees hired after July 1, 2009. Member-employees' contributions are withheld by the District and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 8.17% of covered payroll for April 1, 2011 to June 30, 2011 and 9.17% of covered payroll for July 1, 2010 to March 31, 2011. These contribution requirements are established by KPERS and are periodically revised. The estimated Kansas contribution to KPERS for all Kansas public school employees for the years ending June 30, 2011, 2010 and 2009 were \$ 253,834,004, \$ 248,468,186, and \$ 242,277,363, respectively, equal to the statutorily required contributions for each year.

7 - Early Retirement Benefits

The District has a plan that provides early retirement benefits to certain eligible employees. To be eligible for early retirement benefits, employees must have been employed by the District for a minimum of fifteen years, must not be age sixty-five or older and must meet one of the following criteria: full retirement qualifications as required by KPERS or acquired eighty-five KPERS retirement points.

Benefits for eligible participants include receiving the longevity payments the employee was eligible for during the last year of employment and the opportunity to remain in the District's group health insurance plan at the employee's cost. These benefits will continue until the participant reaches age sixty-five.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

8 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

9 - Statutory Compliance

The District expended monies in excess of available cash in the General Fund and Supplemental General Fund. This was a result of K.S.A. 72-6417(d) and K.S.A. 72-6434(d) which require the District to record any payment of general state aid that is due to be paid during the month of June and is paid to the District after June 30 as a receipt for the year ending on June 30. The monies due the District from the State were received in July 2011.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

9 - Statutory Compliance (Continued)

The following shows the statutory revenues and expenditures compared to budget as required by these Statutes for the year ended June 30, 2011:

	General Fund		Variance -
	Budget	Statutory Transactions	Over (Under)
Statutory revenues:			
Ad valorem tax in process	\$ 71,010	\$ 70,342	\$ (668)
Ad valorem current tax	674,807	713,440	38,633
Ad valorem delinquent tax	13,750	20,359	6,609
State equalization aid	5,731,833	5,290,977	(440,856)
State special education aid	1,242,075	1,201,980	(40,095)
Federal aid	134,859	370,997	236,138
Miscellaneous reimbursed expenses	-	21,687	21,687
Total statutory revenues	<u>\$ 7,868,334</u>	<u>7,689,782</u>	<u>\$ (178,552)</u>
Expenditures:			
Instruction	\$ 3,559,000	3,342,573	\$ (216,427)
Student support services	368,600	387,213	18,613
Instructional support staff	194,550	194,925	375
General administration	178,200	415,457	237,257
School administration	613,750	616,350	2,600
Operations and maintenance	434,500	436,521	2,021
Other supplemental services	238,950	-	(238,950)
Transportation	16,250	31,754	15,504
Transfers to other funds	2,264,534	2,264,989	455
Adjustment to comply with legal max	(200,239)		200,239
Legal general fund budget	7,668,095	7,689,782	21,687
Adjustment for qualifying budget credits	21,687		(21,687)
Total expenditures	<u>\$ 7,689,782</u>	<u>7,689,782</u>	<u>\$ -</u>
Statutory revenues over expenditures		-	
Modified unencumbered cash, beginning		-	
Modified unencumbered cash, ending		<u>\$ -</u>	

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

NOTES TO FINANCIAL STATEMENTS  
(Continued)

9 - Statutory Compliance (Continued)

	Supplemental General Fund		
	Budget	Statutory Transactions	Variance - Over (Under)
Statutory revenues:			
Ad valorem tax in process	\$ 101,068	\$ 97,837	\$ (3,231)
Ad valorem current tax	928,138	1,008,701	80,563
Ad valorem delinquent tax	18,747	26,654	7,907
Motor vehicle tax	151,672	136,583	(15,089)
Recreational vehicle tax	5,289	4,631	(658)
Supplemental state aid	1,384,534	1,373,575	(10,959)
Total statutory revenues	<u>\$ 2,589,448</u>	<u>2,647,981</u>	<u>\$ 58,533</u>
Expenditures:			
Instruction	\$ 446,500	430,120	\$ (16,380)
Student support services	12,200	12,200	-
Instructional support staff	25,000	29,277	4,277
General administration	50,000	38,281	(11,719)
Operations and maintenance	701,000	535,412	(165,588)
Student transportation services	806,500	754,956	(51,544)
Other supplemental services	62,000	51,743	(10,257)
Transfers to other funds	516,801	755,777	238,976
Adjustment to comply with legal max	(12,235)		12,235
Total expenditures	<u>\$ 2,607,766</u>	<u>2,607,766</u>	<u>\$ -</u>
Statutory revenues over expenditures		40,215	
Modified unencumbered cash, beginning		30,553	
Modified unencumbered cash, ending		<u>\$ 70,768</u>	

## SUPPLEMENTARY INFORMATION

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Program Award
<u>United States Department of Education:</u>		
Passed through Kansas State Department of Education:		
Title I, Part A Cluster:		
Title I Grants to Local Educational Agencies	84.010	\$ 160,141
Title I Grants to Local Educational Agencies, Recovery Act	84.389	44,299
Total Title I Cluster		
Education Technology Cluster:		
Education Technology	84.318	542
Education Technology, Recovery Act	84.386	3,251
Total Education Technology Cluster		
State Fiscal Stabilization Fund Cluster:		
State Fiscal Stabilization Fund, Recovery Act	84.394	134,859
Grants not clustered:		
Title II, Improving Teacher Quality	84.367	57,667
Education Jobs Fund	84.410	236,138
Total grants not clustered		
Total United States Department of Education		
<u>United States Department of Homeland Security:</u>		
Disaster Grants- Public Assistance	97.036	25,855
<u>United States Department of Agriculture:</u>		
Passed through Kansas State Department of Education:		
Child Nutrition Cluster:		
School Breakfast Program	10.553	57,249
National School Lunch Program	10.555	209,434
Total Child Nutrition Cluster		
State Administrative Expenses for Child Nutrition	10.560	100
Total United States Department of Agriculture		
Total federal awards		

See accompanying notes to schedule of  
expenditures of federal awards.

Unencumbered Cash Balance July 1, 2010	Amount Received	Disbursements, Accounts Payable and Encumbrances	Transfers	Prior-Year Canceled Encumbrances	Unencumbered Cash Balance June 30, 2011
\$ -	\$ 160,141	\$ 188,178	\$ 28,833	\$ -	\$ 796
-	44,299	44,299	-	-	-
-	204,440	232,477	28,833	-	796
-	542	542	-	-	-
-	3,251	3,251	-	-	-
-	3,793	3,793	-	-	-
-	134,859	134,859	-	-	-
-	57,667	28,834	(28,833)	-	-
-	236,138	236,138	-	-	-
-	293,805	264,972	(28,833)	-	-
-	636,897	636,101	-	-	796
-	25,855	18,578	-	-	7,277
-	57,249	57,249	-	-	-
-	209,434	209,434	-	-	-
-	266,683	266,683	-	-	-
-	100	100	-	-	-
-	266,783	266,783	-	-	-
\$ -	\$ 929,535	\$ 921,462	\$ -	\$ -	\$ 8,073

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS

June 30, 2011

1 - General

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of Santa Fe Trail Unified School District No. 434. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the cash basis of accounting for revenues and the modified accrual basis of accounting for expenditures, which is described in Note 2 to the District's financial statements.



SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

I. Summary of auditor's results:

Financial Statements

Type of auditor's report issued	Unqualified – statutory basis Adverse – GAAP basis
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Internal control over financial reporting:

Material weaknesses identified	None
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Significant deficiencies identified that are not considered to be material weaknesses	2010-1
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Noncompliance material to financial statements	None noted
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Federal Awards

Type of auditor's report issued on compliance for major programs	Unqualified
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Internal control over major programs:

Material weaknesses identified	None
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Significant deficiencies identified that are not considered to be material weaknesses	2010-1
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Findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	2010-1
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Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.410	Education Jobs Fund

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Dollar threshold used to distinguish between type A and type B programs	\$ 300,000
Auditee qualified as a low-risk auditee	Yes

II. Financial Statement Findings

**Finding 2010-1**

*Significant Deficiency* – One employee processes and approves payroll, prepares and signs payroll checks, has access to signed payroll checks and the payroll system, and performs the bank reconciliation and all adjusting journal entries which are not reviewed by another employee.

*Cause* – Due to small size of the District, there is a limited number of employees to perform financial duties.

*Criteria* – Review and approval of the payroll records is important for the District to prevent the possible occurrence of errors or fraud.

*Effect* – The lack of approval and review of payroll records could lead to potential errors or fraud.

*Recommendation* – We recommend that procedures be implemented that would allow for the segregation of duties within and review of payroll records for the payroll cycle.

*Management's Response/Corrective Action Plan (Unaudited)* – Management is aware of the segregation of duties issues being raised and due to the small number of staff in the Business Office management has set procedures in place to reduce the possible misstatements. Management has looked at additional controls in the accounting process to help reduce any misstatements and will continue to review staffing and job duties to reduce any potential errors.

III. Findings and Questioned Costs for Federal Awards	See 2010-1
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SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
CARBONDALE, KANSAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

**Finding 2010-1**

*Significant Deficiency* – One employee processes and approves payroll, prepares and signs payroll checks, has access to signed payroll checks and the payroll system, and performs the bank reconciliation and all adjusting journal entries which are not reviewed by another employee.

*Cause* – Due to small size of the District, there is a limited number of employees to perform financial duties.

*Criteria* – Review and approval of the payroll records is important for the District to prevent the possible occurrence of errors or fraud.

*Effect* – The lack of approval and review of payroll records could lead to potential errors or fraud.

*Recommendation* – We recommend that procedures be implemented that would allow for the segregation of duties within and review of payroll records for the payroll cycle.

*Management's Response/Corrective Action Plan (Unaudited)* – Management is aware of the segregation of duties issues being raised and due to the small number of staff in the Business Office management has set procedures in place to reduce the possible misstatements. Management has looked at additional controls in the accounting process to help reduce any misstatements and will continue to review staffing and job duties to reduce any potential errors.

*Follow-up* – Due to the small number of staff in the Business Office, the District has not been able to involve another employee in the payroll process. This finding is repeated in the current year as Finding 2010-1.



BERBERICH TRAHAN & CO., P.A.  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Board of Education  
Santa Fe Trail Unified School District No. 434:

We have audited the financial statements of Santa Fe Trail Unified School District No. 434 (the District) as of and for the year ended June 30, 2011, and have issued our report thereon dated October 31, 2011. Our report contained an adverse opinion because the financial statements were presented using accounting practices prescribed or permitted by the State of Kansas. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as Findings 2010-1 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management in a separate letter dated October 31, 2011.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Education, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Berberich Trahan & Co., P.A.*

October 31, 2011



BERBERICH TRAHAN & CO., P.A.  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education  
Santa Fe Trail Unified School District No. 434:

**Compliance**

We have audited the compliance of Santa Fe Trail Unified School District No. 434 (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2011. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2010-1.

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### Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-1. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Board of Education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Berberich Trahan & Co., P.A.*

October 31, 2011